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C O N F I D E N T I A L SECTION 01 OF 03 YEREVAN 000090

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [PINR](#) [KDEM](#) [AM](#)
SUBJECT: BAGHDASSARIAN RALLY DRAWS GOOD CROWD; FEATURES
DEATH THREAT CLAIM AND UNITY TALK

Classified By: CDA Joseph Pennington, reasons 1.4 (b,d)

¶1. (SBU) SUMMARY: Orinats Yerkir (Rule of Law) presidential candidate Artur Baghdassarian held his first major rally in Armenia's sub-freezing capital on February 3, drawing a large and boisterous crowd of 10,000-15,000 supporters from throughout the country. In spite of rampant rumors that he would announce a joining of forces with ex-president Levon Ter-Petrossian (LTP), Baghdassarian allowed only that he was in active negotiations with both LTP and Heritage Party leader Raffi Hovannisian on the possibility of an opposition merger. Baghdassarian grabbed instant attention with the declaration that he had just received a death threat, and if he should die, key supporters would reveal the details. Melodrama aside, his speech was technocratic and dull, complaining of mismanagement of Armenia's economy. END SUMMARY.

LARGE NUMBERS BRAVE COLD AT RALLY

¶2. (SBU) Presidential hopeful and ex-parliament speaker Artur Baghdassarian of the Orinats Yerkir (Rule of Law) party held his first major rally in Yerevan on Sunday, February 3. In sub-freezing temperatures, Baghdassarian drew -- and kept present -- approximately 10,000-15,000 supporters a number similar to those of ex-president Levon Ter-Petrossian, who has held three rallies in the same Freedom Square. Having opened with a cryptic mention of an assassination threat, he held the crowd with his promise to tell that story at the end. Once he came back to this at the end of his speech, he actually revealed very little more, saying only that he knew who was responsible, and had entrusted the full information to his lieutenants, Mher Shahgeldian and Heghine Bisharyan, who would make the details public if Baghdassarian should die. He also said that the authorities would bear responsibility for his death.

¶3. (SBU) The crowds differed from those at LTP's rallies in gender and age distribution. Many more women, teenagers and even children joining their families who had come from around the country could be seen waving colorful signs and banners, and enthusiastically chanting "Artur, Artur." Some LTP supporters also appeared to be in attendance, as evidenced by their chants of "Levon, Levon" when Baghdassarian raised the issue of a united

opposition late in his hour-long speech. The entire rally lasted a little over two hours, and Baghdassarian managed to keep the crowds intact until the end, in spite of the frosty temperatures.

RUMORS OF MERGER WITH LTP STAY JUST THAT

14. (SBU) Baghdassarian stopped short of promising his party's rumored imminent merger with ex-president LTP and Raffi Hovannisian, leader of the opposition Heritage party. Allowing only that he was in "very active negotiations" with both on the possibility of a united opposition candidate, he instead professed his belief that LTP and Hovannisian would throw their support behind Baghdassarian in his bid to challenge Prime Minister Sargsian. (Note: At the same time, LTP has publicly stated the opposite, predicting that Baghdassarian and Hovannisian would shortly merge forces in support of LTP's candidacy. End note.)

ASSASSINATION ATTEMPT INTRIGUE

15. (C) In a private conversation with polchief February 5, Baghdassarian offered a few more tidbits about his alleged assassination threat, but remained coy about details. He said that "someone close to him" had been "pulled out of his home" by a gang of some 30 persons, and taken to an

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unspecified other location, where he was told that Baghdassarian would be killed. The same message was also allegedly conveyed through other intermediaries. Baghdassarian said he knew exactly who was behind it, and made clear it was someone close to the ruling party (though apparently not members of security forces or state organs).

16. (C) Asked why he had not reported the threat directly to authorities (a criticism leveled by government officials), Baghdassarian told us that he considered his public statement sufficient grounds for police to launch an investigation. Pressed further, he said that in the past he had reported crimes against him and his party to police, only to find himself the target of an intrusive investigation. "For three months we were deep in that," he exclaimed. The former speaker complained that the National Security Service had offered him security protection after his announcement of the assassination threat, but when he accepted the offer, the Service temporized and backpedaled, and the promised security had not yet materialized.

TECHNOCRATIC TREATISE ON ECONOMIC ILLS

17. (SBU) Putting his supporters' temperature-challenged loyalty to the test, Baghdassarian spent the second hour of his rally enumerating the various economic ills of the country, and how he would address them if elected president. Rattling off statistics and woefully comparing Armenia's economic indicators with other countries, Baghdassarian decried ruling regime corruption, its sell-off of state enterprises for personal enrichment, and its liquidation of Armenia's entire

gold reserve several years ago when gold prices were half their current level.

¶8. (SBU) In his pedantic delivery, he lamented the poor socio-economic conditions in the regions, emigration abroad, the emptying of the countryside by people coming to Yerevan for jobs, high taxes, a growing foreign debt, and the authorities' alleged manipulation of the dram-dollar exchange rate, which he said was enriching oligarchs at the expense of citizens who survived on remittances from their relatives. (Note: A 2006 Central Bank study found that 37 percent of Armenian households regularly receive remittances from abroad. End Note)

¶9. (SBU) Speaking about monopolies and oligarchs, Baghdassarian named several oligarchs who have allegedly been granted exclusive rights to import and export certain products. Among them he mentioned several members of Serzh Sargsian's inner circle, including his campaign manager Hovik Abrahamyan (Deputy Prime Minister and Minister of Territorial Administration), who allegedly has monopolized all economic enterprises in his home region of Ararat; Surik Khachatryan (governor of the Syunik region); and the Customs Service chief Armen Avetisyan, whom he accused of "strangling" Armenia's small and medium businesses.

RALLY PROMISES

¶10. (SBU) Baghdassarian said he would correct the situation by eliminating monopolies, creating a competitive market economy, ensuring the rule of law, providing targeted support to small and medium businesses, and reforming the tax law. He said he would beef up spending on education, and devote funding to research and development to develop the economy. In particular, he promised to raise the salaries of teachers and ensure continuous training programs. He also promised to raise social benefits and pensions, and tackle unemployment, which he said would help staunch emigration flows.

COMMENT

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¶10. (C) While widely disdained by other politicians and the political elite -- who tend to consider him entirely too ambitious, self-absorbed, and flexible in his loyalties to be a reliable partner -- Baghdassarian continues to attract a notable following among voters who still see him as a reformer. He also would naturally draw from those who dislike both PM Sargsian and ex-President Ter-Petrossian. If pure popular appeal were the only criterion, Artur would be best placed to challenge PM Sargsian for the presidency. Where he trails former President Levon Ter-Petrossian is in the murkier question of toughness and his perceived inability to "defend his votes," as local commentators often put it, from ruling party pressures and skullduggery.
PENNINGTON